

of that credit which is now furnished by banks, any one conversant with the enterprising spirit of our people will at once see that individuals and voluntary associations would furnish that credit in other forms? It then becomes a question, which of the two is safest to the laboring and producing classes? If this be the true question, and our experience is not utterly deceptive, its solution at once results in favor of incorporated companies, guarded by every provision which the wisdom of the Legislature may suggest.

The second objection to banks, is, that they expand their circulation at one time to an unusual extent, and thus raise the price of labor and property; and, by a sudden withdrawal of that circulation either from necessity or choice, reduce the value of both,—thus, by reducing the value of the debtor's means of payment, in effect augmenting the amount of the creditor's demand against him. That this may be, and has been often done by banks, is certainly true; but that the same amount of credit in any other form, of a sudden efflux, would produce the same evils, is equally true. Instances of the latter kind are numerous, and too well known to justify me in recapitulating them here, in which banks had not the remotest influence; happening in countries, too, where a metallic was the only currency.

In those instances, however, in which banks have produced either of the evils complained of, it is worthy of consideration, whether the fault lay in the institution themselves or originated in an extraneous influence exerted upon them. In the notable instance of suspension of specie payments by the Bank of England in 1797, it is a well known fact, that an order of the King and Council given to the Bank, produced it, and that it was continued by act of Parliament from time to time till the year 1823, when, by the judicious arrangements of the bank, it resumed payments without producing any derangement in the commerce of the country, or prejudice to the finances of the kingdom. The large issues, and consequent suspension of the banks in our country, which took place from 1812 to 1820, have been, with great justice, ascribed to the loans made by the Government of the banks, which were the only means of prosecuting the war; which, returning upon them at the close of the war, with a foreign demand for specie, with the failure in business, at that time of many of their debtors, rendered suspension inevitable, and in many instances were followed by an ultimate close of business. Amongst the causes that produced the recent suspension in 1837, the influence of the Government, though by no means intended, is nevertheless distinctly perceivable. The whole revenues of the General Government were deposited with them, under an injunction from the Treasury Department, to use them as banking capital. A confidence in their strength, arising from this connection with the Government, natural enough, though, as the event proved, delusive, contributed greatly to those large issues prior to 1837, of which so much complaint has been made. The contractions, too, which have followed, producing the most disastrous effects upon the country, although to a great extent a necessary consequence of previous over issues, were nevertheless hastened and pushed too rapidly forward, by well meant endeavors on the part of the Legislature to improve the currency. Surveying the past history of such institutions, and availing ourselves of a dispassionate view of our own errors, as well as theirs, we may hope that a faithful effort at this time, to establish them on a firm and secure basis, will be attended by happy results. To this end I have to suggest a brief outline of those plans which appear to embrace a preventive of the two great evils I have noticed—insolvency of the institutions and consequent loss to the community—and unnatural expansions and contractions of the currency. The first is a State Bank, with a convenient number of branches, at proper points in the State, with a capital of such amount as the business of the country would seem to require. Each branch to own its own stock as its own separate property; but to receive its paper from a common source, and be subject to the control of a parent board chosen by the stockholders of all the branches. In this plan, the whole capital employed in the State should be bound for the redemption of the notes of every branch; the parent board having power, under proper limitations, to control the business of all the branches. As the whole capital is to be pledged for the liabilities of each separate branch, a board representing the capital should have full power to protect it against the mismanagement of those for whose conduct in this scheme, it is made ultimately responsible. In this plan, it is proposed to give the State a proportion of the stock, which should be represented by a corresponding vote in the election of officers. The books of all the institutions should be open at all times to the inspection of the parent board, and subject also to the inspection at any and at all times of the Legislature, in such mode as it should direct. The amount of circulation at any and all of the branches, to bear a proportion to their capital, to be fixed by the Legislature, in the charter. It is especially desirable, that the charter should specify the cases, if any, on which a forfeiture of the charter should follow, and that the facts in such cases to be found by a trial, in proper form, in the judicial courts of the State. In this scheme, also, it would seem to be proper to make the notes of each branch receiv-

able in payment of debts at every branch in the State.—To withdraw from the directory all inducement to extravagant and injudicious issues, and to put an end to the practice, said to prevail to some extent, of adopting improper methods to avoid the provisions of law, which forbids the receipt of more than six per cent. per annum on loans, it should be provided, that the amount of dividends, when they exceed a given per cent. per annum, should be paid into the State Treasury.

The second plan, which has been much the subject of discussion, and which would seem to be a great improvement on the existing system, embraces the proposition of re-chartering so many of the present banks of the State, as shall be thought necessary, and such of them only, as on thorough examination shall be found to be in a sound and healthy condition.

In this scheme, it is proposed to compel all that shall receive charters to unite in the election of a Board of Control; each bank to be entitled to vote in proportion to its capital. This board, who may or may not hold stock in any bank, as the Legislature shall determine, to issue all paper, and to sign it by officers to be chosen by it; to receive reports from each bank at stated periods, embracing all its transactions, verified by the oaths of its officers. It is proposed, also, to vest the board with power to examine into the affairs of all the banks at stated periods, to be fixed by law; and oftener, if they deem it necessary; and to close the business of any bank, when, in its judgment, such bank had conducted its business in such manner as to render it unsafe to permit its further continuance; and in all such cases the assets of such bank should be transferred to the board, for the purpose of liquidating all claims outstanding against it.

In this plan it is also proposed, to make the capital of each bank, and all of them, who shall accept of charters, liable for the debts of every other bank, and to compel them to receive the notes of each other at all times in payment of debts, and to redeem each its proper proportion of the notes of any other that may suspend specie payment, or be closed by the Board of Control.

It would also be a salutary provision in this scheme, to limit the dividends to stockholders, and bring into the State Treasury all the profits arising from the operations of the banks above such limitation; and also to limit in the charter the amount of circulation as compared with the capital of the several banks.

I have, as it must be obvious, only sketched an outline of some of the most prominent features of the scheme proposed. I have been impelled at this, as to some it may seem, unusual time, to bring them to the view of the Legislature as the loud call of the people of the State summons it to immediate action, of some sort, upon this all important subject.

Neither of the plans which are here suggested, it is believed sufficient guards are provided against over issues, leading to dangerous expansions of the currency, whilst a capital varying from six to ten millions of dollars, with all the property of the banks, are pledged as a perpetual security to the holders of the paper of every bank, embraced in the scheme. It is undoubtedly proper, that the Legislature should reserve the power to inspect the books and examine into the affairs of the banks, by such agents as they may from time to time select, and that the Board of Control should make an annual report to the Legislature, embracing a full statement of the business and condition of the banks under its supervision. It is important in this, as in every other charter, which creates a compact between the State and its citizens, that those acts, which should work a forfeiture of the corporate powers granted, should be specifically named, and the mode of adjudicating such forfeiture clearly pointed out.

It is believed, that the establishment of the banking capital of the State on a permanent and secure basis, might be the means of great occasional relief, in the future prosecution of our public works. The want of funds for this purpose, arising from the temporary derangement of the money market abroad, could be supplied by the banks of our own State, were they assured of the further continuance of their charters, on proper principles.

The losses which have been sustained by contractors and laborers, at times, occasioned by a failure of the State to make punctual and frequent payments, might in such cases be avoided. They might be made useful to the State in this way, in enabling it to fulfil, as it always should, with rigid precision, its contracts with both its foreign and domestic creditors; an object which it is hoped will never be lost sight of by any who may be charged with the preservation of the character and honor of the State. The high reputation which our works have maintained in the markets of the world, has been earned by a scrupulous fidelity in complying with our contracts. The public improvements of the State, those enduring monuments of her enterprise, are the fruits of that character. That faith-keeping principle which shrinks with abhorrence from the idea of a broken promise, is alike the offspring of the pure morality of a Christian people, and that lofty public honor which is a prominent characteristic of our republican institutions. Whatever theoretical speculations upon the nature of legislative compacts may argue, he has been but a superficial observer of the people of Ohio, who does not know that their tax payers would gladly incur taxes fifty fold more burdensome than the present, rather than endure, for a day, the deep disgrace which attaches

to broken promises and violated public faith. Such an idea is the less tolerable in Western America, because of its almost boundless resources, and the constantly increasing energy and number of its people.

Our present position as a member of the Union compared with the past, cannot fail to awaken in the bosoms of our citizens proud and gratifying reflections. Our State occupies a commanding position in the great valley west of the Alleghany mountains; a valley which, by the estimates of those well informed, contains a greater quantity of productive soil than is to be found in one body elsewhere on the surface of the globe. Though many parts of Ohio present to the eye of a Western American what seems to him a crowded population, yet it is certain that, when compared with its capacity to sustain and feed its people, no portion of our territory has as yet been filled. If we glance our eyes over the statistics of other parts of the world, not more fruitful in whatever contributes to the sustenance of a dense population, and see to what extent the productive powers of the earth may be carried, where population has long pressed upon subsistence, we shall find, that any portion of Ohio, compared with such, is as yet little better than an untenanted and uncultivated waste. Looking forward to the time when the yet unoccupied agricultural and manufacturing powers of the State shall be fully developed, and taking our past progress as a guide to the future, we may, without egotism, indulge proud hopes of the ultimate destinies of the State. When we entered upon a State Government in the year 1802, our population numbered sixty thousand. Now, after a lapse of thirty-eight years, we count a million and a half within our borders. Then we were a few scattered settlements, trembling in the presence of the lately subdued Indian tribes that still hovered on our frontier, and were entitled to but one representative in the popular branch of Congress; now we rank third in numbers amongst the twenty six States of the Union, and have a larger share of power in the Legislature of the nation, than many of the oldest States whose settlements began two hundred years before the white man built his first cabin within the limits of the State.

Through the valley lying between the Rocky Mountains on one side, and the Alleghany range on the other, following the course of the Mississippi, Ohio, and Alleghany rivers, we have an uninterrupted steamboat navigation of twenty-four hundred miles in length. This great channel of commerce on one side, and the Lakes of the north on the other, intersected by canals, roads, and rivers, with a rich soil and a healthful climate, while they account for our past history, furnish certain and most cheering augury of our future progress.

The direction which shall be given to that future, under our Constitution, mainly depends upon the legislative department. To subject to useful purposes all the physical resources of the State, and through these to ensure the great ends of our existence, the moral and intellectual improvement of all the people, to the highest attainable point; these are the great objects of legislative regard. To the Legislature belongs the lofty glory that awaits a wise exertion of that power; and on it, devolves, also, the fearful responsibilities which its high position imposes.

Fully assured, that your deliberations will all aim to advance the interests, and secure the happiness of our common constituents; as it has become my duty, so it shall be my greatest pleasure, within my proper sphere, to extend a most hearty co-operation.

THOMAS CORWIN.

COLUMBUS, Dec. 16, 1840.

## OHIO LEGISLATURE.

### SENATE.

#### STANDING COMMITTEE.

- On the Judiciary.—Messrs. Bissell, Thomas, and Harris.
  - On Finance.—Messrs. Spangler, Vance and Leonard.
  - On Claims.—Messrs. Utter, Root and Holster.
  - On Canals.—Messrs. Hunt, Godman and Holmes.
  - On Railroads and Turnpikes.—Messrs. Patterson, Root and Mitchell.
  - On Roads and Highways.—Messrs. Patterson, Root and Mitchell.
  - On Colleges and Universities.—Messrs. Still, Carpenter and Mitchell.
  - On Agriculture, Commerce, and Manufactures.—Messrs. Thompson, Lord and Ream.
  - On the Penitentiary.—Messrs. Leonard, Waddle and Utter.
  - On the Library.—Messrs. Humphreys, Crowell and Glover.
  - On Public Lands.—Messrs. Hunt, Waddle and Carpenter.
  - On Schools and School Lands.—Messrs. Hough, Lord and Scott.
  - On New Counties.—Messrs. Harris, Nash and Patterson.
  - On Military Affairs.—Messrs. Corwell, Goodin and Hazelins.
  - On Medical Colleges and Societies.—Messrs. Glover, Perkins and Barnett.
  - On the Currency.—Messrs. Farn, Green and Taylor.
  - On Public Buildings.—Messrs. Green, Shannon and Hunt.
  - On Public Institutions.—Messrs. Henderson, Humphrey and Perkins.
  - On Corporations.—Messrs. Holmes, Henderson and Goodin.
- ### HOUSE OF REPRESENTATIVES.
- #### STANDING COMMITTEES.
- On Privileges and Elections.—Messrs.

Carpenter, King, Johnson of Cuyahoga, Aten, and Hamilton.

On Unfinished Business.—Messrs. Welch, Riblet, Weaver, McAnally and Scott of Harrison.

On the Judiciary.—Messrs. Bliss, Bartley, Perkins, Aten and Hawkins.

On Finance.—Messrs. Griswold, Brough, Harlan, Florence and Cook.

On Banks and the Currency.—Messrs. Nye, Bartley, Reeves, McAnally and Probasco.

On Public Works.—Messrs. Worthington, Brough, Perkins, Bell and Welch.

On Common Schools, Colleges and Universities.—Messrs. Allen, Hockinbury, Wheeler, Cochran and Young.

On Medical Societies and Colleges.—Messrs. Morris, Allen, Vincent, McGugin and Toland.

On Roads and Highways.—Messrs. Hamilton, Johnson of Monroe, Kaylor, Dunham and Wood.

On Public Lands.—Messrs. Bell, Hamilton, Smith of Stark, Scott of Crawford and Morris.

On Agriculture and Manufactures.—Messrs. Jenkins, Stinson, Spindler, Smith of Adams and Shreve.

On Claims.—Messrs. Cook, Moore, Johnson of Cuyahoga, Riblet and Vincent.

On the Militia.—Messrs. Burns, Reynolds, Warren, Bell and Pollock.

On the National Road.—Messrs. Israel, Carothers, Warren, Pollock and Young.

On Railroads.—Messrs. Harlan, Dunn, Streator, Baldrige, and Scott of Green.

On New Counties.—Messrs. Wilson, Cochran, Giddings, Shober and Koonz.

On the Library.—Messrs. Hawkins, McGugin, Toland, Lawrence, and Worthington.

On Public Buildings.—Messrs. Probasco, Burns, Florence, Watkins, and Giddings.

On Corporations.—Messrs. Marsh, King, Lawrence, Raffensperger and Brown.

On Public Printing.—Messrs. Clarke, Brough, Van Vorhes, Wood and Smith of Adams.

On Enrollment.—Messrs. Marsh and McGugin.

In the House, Thursday, Dec. 12, Mr. Wilson offered a joint resolution, authorizing the printing of 2000 copies of the Governor's Inaugural address in the English language, and 2000 copies in the German language.

Mr. Jenkins moved to amend by striking out "2000 in English," and inserting "4000 in English."

Mr. Marsh moved to amend by striking out all after the word "resolved," and inserting "that the usual number of the Governor's Inaugural address, as in the case of bills, be printed for the use of the members of the General Assembly;" which was lost—yeas 49.

The question was then taken upon the adoption of the resolution; which was agreed to.

In the Senate, Friday, the 18th, the resolution was received from the House, providing for the printing of the Governor's Inaugural Address in English and German, and that the printing in German be done under the supervision of the Speakers of the Senate and House of Representatives.

Mr. Spangler moved to strike out "Speakers of the Senate and House of Representatives," and insert "State Printer."

After some discussion on this motion, Mr. Spangler withdrew so much of his motion as relates to inserting "State Printer;" when the motion to strike out was carried.

Mr. Utter moved to strike out two and insert four, so it would read "four thousand copies in English." The question was put by yeas and nays, and carried—yeas 14.

The resolution was then agreed to—yeas 22, nays 14.

The resolution of the House, requiring the German copies of the Governor's Message to be printed under the supervision of the Speakers of the two Houses, was taken up, and on motion of Mr. Spangler postponed indefinitely—yeas 22, nays 14.

In the House on the 18th, Mr. Brown offered a resolution, which was agreed to, instructing the committee on finance to report on the expediency of allowing further time for the payment of Taxes; also, further time to county treasurers to make their annual settlement with the State treasurer; also, the expediency of remitting penalties incurred for the non-payment of taxes.

On motion of Mr. Young, Resolved, That the committee on the judiciary be instructed to inquire into the expediency of regulating the tolls of steam grist mills; and to report by bill or otherwise.

On motion of Mr. Reese, The House took up the bill to incorporate the Cincinnati New Jerusalem School Association.

The question being upon ordering the bill to be engrossed, Mr. Jenkins moved to strike out the word "perpetual," and insert "for thirty years;" so as to limit the act to 30 years duration; which was lost.

Mr. Jenkins then moved to insert, at the end of the 3d section, the following proviso: "That the members and officers of said association shall be liable in their individual capacities for debts of said association."

Mr. Bartley then moved to amend the amendment by adding—*P. orid.* That the members and officers aforesaid be corporations.

Mr. Reeves then moved that the bill together with the amendments be referred to the standing committee on corporations; which was agreed to.

The House disagreed to the amendments of the Senate in regard to the printing of the Governor's Message.

ments of the Senate in regard to the printing of the Governor's Message.

## THE STANDARD.

GEORGETOWN, DECEMBER 29, 1840.

### INAUGURAL ADDRESS.

We this week publish Gov. Corwin's Inaugural Address. In the first part is an effort to identify his party with the Jefferson party of 1800; but as the opinions and suggestions here contained were not advanced with a view to particular legislation, and as no "contingency may arise" for legislative action thereon, the reader may judge how far this effort is sustained by the more practical part of the address relating to the currency, upon which it is expected there will immediate action.

The opinions with regard to the public lands, even if in accordance with law, (which is very doubtful,) will meet with many objections. If the surplus proceeds of these lands, which are now appropriated to defray the expenses of the General Government, should be divided among the States, it would become necessary to levy additional taxes, either directly or indirectly, to make up the deficiency in the national treasury, caused by the distribution. Besides this, if a necessary war with another nation should now occur, the expenses would be defrayed by the proceeds of the public domain, without increasing our taxes; which we believe was a part of the object of the cession to the General Government. But after the proceeds are made to go to the States, and are expended in internal improvements; a war could not occur without being followed by greatly increased and oppressive taxes.

With regard to the currency, the address contains a second edition of Gov. Vance's "expansion and contraction" or "open and shut" system. In meeting the objections to the present banking system, that great losses are sustained by bank failures, the Governor says that a vast deal more is lost by the failure of individual debtors than by banks, and therefore incorporated debtors should be tolerated. We can hardly believe that the Governor is such a superficial observer of cause and effect as to have overlooked the fact that extraordinary individual credit and consequent failures are the effects of a hoisted credit or debtor system put in operation and kept up by the banks, and that therefore most of the losses by the failures of individuals as well as banks, are caused by the present banking system.

The Governor, imagining that he has by such argument, effectually demolished all objections to a continuation of the present bank impositions, proposes two different plans to perpetuate the system; in neither of which individual responsibility hinted at. There is too much "loco-focoism" about individual responsibility, to admit of its approval by the advocates of exclusive privileges. It is however suggested that there may exist such restrictions as the legislature may think proper to interpose—such, for instance, as a board of control, appointed by the banks themselves, which, being the mere creatures of the banks, will amount to a legal mockery; but they may serve to lull the people into imaginary security, while the banks are practicing all manner of impositions. It is proposed that the banks be compelled to receive the notes of each other in payment of debts. The Constitution of the United States prohibits the States from making anything but gold and silver coin a tender in payment of debts. But as Governor Corwin thinks the Constitution is not exactly what it ought to be in all respects, he would perhaps like to see this "loco-foco" provision disregarded, or lopped off.

Let the reader compare this document with Governor Shannon's Message, and see which is most governed by reason, and which has the best claim to the Jeffersonian democracy of 1800.

### LEGAL DECISION.

The Court in Bank, now or lately in session at Columbus, have decided that proprietors of stage coaches are common carriers—that they are responsible for the safe conveyance of passengers and baggage, and that their giving public notice to the contrary will not alter the case—that a watch is a usual and customary article of baggage, and the trunk of a traveller a proper place for its deposit, and the stage proprietor will be chargeable in case it is lost.

U. S. SENATE.—The Hon. LEB WOODBURY has been elected U. S. Senator by the Legislature of New Hampshire.

The Hon. WM. S. FULTON has been elected to the U. S. Senate, by the Legislature of Arkansas.

### CONGRESS.

In the Senate, on the 14th inst., Mr. Clay offered the following resolution for consideration:

Resolved, That the act entitled "An act to provide for the collection, safe-keeping, transfer, and disbursement of public revenue," ought to be forthwith repealed, and that the Committee on Finance be instructed to report a bill accordingly.

Mr. Benton offered the following pre-emption bill, prefacing it with appropriate remarks.

A BILL to establish a permanent prospective pre-emption system, in favor of settlers on the public lands, who shall inhabit and cultivate the same, and raise a log cabin thereon.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That from and after the passage of this act, every head of a family, every widow, and every single man over the age of eighteen years, who shall make a settlement on any of the public lands to which the Indian title has been, or shall be, extinguished, whether the same be surveyed or not, or who may have settled on such land since the 30th day of June, 1840, and who shall inhabit and improve the same, and raise a log cabin thereon, shall be entitled to a pre-emption in the purchase of one quarter section, to be paid for at the minimum price of such land at the time of paying for the same.

Sec. 2. And be it further enacted, That where the improvement and the settlement shall be on different quarter sections, the settler shall make choice of the quarter he will take, provided it can be done without prejudice to the rights of others.

Sec. 3. And be it further enacted, That where the quantity of one hundred and sixty acres cannot be obtained in one entire quarter section, the deficiency may be made up out of any contiguous vacant ground.

Sec. 4. And be it further enacted, That in the execution of this act, and in making up the quantity of one hundred and sixty acres where the same cannot be had entire, the entries may be made in tracts of eighty acres, or forty acres, or in fractions; and where the fraction shall be more than the quantity required to complete the pre-emption, the excess shall be paid for, and the pre-emptive right shall extend to the whole fraction.

Sec. 5. And be it further enacted, That where two or more persons shall have settled on the same quarter section, the same shall be divided between them, and the deficiency made up to each out of contiguous vacant ground; but no wilful intruder on the known rights of another shall be entitled to any benefit under this section.

Sec. 6. And be it further enacted, All legal reservations of public lands for any purpose whatever shall be exempted from the operation of this act, so that no right of pre-emption shall accrue on any such reserves.

Sec. 7. And be it further enacted, That all questions in relation to pre-emption claims, or between claimants to the same quarter section, shall be settled summarily and definitely by the Register and Receiver of the district, under the instructions of the Commissioner of the General Land Office.

This is a true "log cabin" bill; and it will test the sincerity of those who profess to have talked so much in and about log cabins, the past summer.

Mr. Clay of Alabama introduced a graduation bill—that is, to graduate the price of the public lands, which have been in market a certain time, according to their value.

On Tuesday, the 15th, Mr. Clay's resolution came up for consideration and gave rise to considerable debate, at the close of which Mr. Allen of Ohio offered the following as a substitute:

Resolved, That the financial policy established at the origin of this Government by the acts of its legislation, and especially by the 30th section of the "Act to regulate the collection of duties," &c., approved by President Washington, July 31st, 1798; and by the 4th section of the "Act to establish the Treasury Department," &c., approved by President Washington, September 2, 1789, was in strict conformity to the fundamental principles of the Constitution.

Resolved, That by a long series of subsequent acts tending to the great detriment of the public welfare, that policy had been departed from, and was, by the act to provide for the collection, safe-keeping, transfer, and disbursement of the public revenue, approved by President Van Buren, July 4, 1840, fully restored and ought to be adhered to; and therefore,

Resolved, That the Government ought to collect no more taxes from the People, either directly or indirectly, than are absolutely necessary to an economical administration of its affairs.

Resolved, That the taxes paid by the People ought not to be lent out by the Government to individuals or corporations.

Resolved, That the taxes paid by the People ought not to be placed by the Government in the custody of agents who are not made by the Constitution and are responsible to the People.

Resolved, That, in the transaction of business affairs, the Government ought to receive and tender in payment money, without tax, that which is made a legal tender by the Constitution.